Agricultural Equipment Exemption Usage Questionnaire

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	Form AGQ-100 State Form 52108 (R2/8-07)

Your FID# (Federal Identification Number) 01	r
SS# (Social Security Number):	

Name of Purchaser:					
	G!:		g		
Address:	City		StateZip		
(1) Describe your equipment purchase.					
(2) Are you occupationally engaged in agriculture	for a living? (Check on	e) Yes N	0		
(3) What is the horsepower rating for this equipme	ent?		_		
(4) For the section below, list the best estimate of activities. If the listed activities do not describe you additional pages, if needed.	•	•			
The equipment purchase described in (I used to perform the following activities Check all that apply.	,		er of days used during or each activity noted.		
a) seeding of crops to be sold (list to	ype of crop)				
b) fertilization of crops to be sold					
c) tilling of land for crops to be so					
d) harvesting of crops to be sold					
e) hauling of animal waste					
f) hauling feed to livestock to be s					
g) hauling tools & equipment					
h) transporting employees					
i) checking on livestock					
j) trash removal					
k) running/checking fence around property lines					
1) recreational riding					
m) other use -					
n) other use -					
o) other use -					
Information	n furnished above is sul	oject to audit verifi	cation.		
I certify, under penalty of perjury, the information contained in this questionnaire is true, correct and complete to the best of my knowledge and belief.					
Purchaser's Signature:		Title:	Date:		
Mail to: Indiana Department of Revenue	"This agency is	requesting the disc	closure of your Social Security number		

Mail to: Indiana Department of Revenue Enforcement Division/Audit 100 N. Senate Ave., IGCN-241 Indianapolis, IN 46204-2233

"This agency is requesting the disclosure of your Social Security number in accordance with IC 4-1-8-1. Disclosure is mandatory; this record cannot be processed without it."

Agriculture Exemption Citations

Below are a few of the many pertinent regulations pertaining to agricultural exemptions which were selected by the Compliance Division of IDOR for your information. <u>Underlining of key words or phrases were</u> added by the Compliance Division of IDOR to stress significance of each citation.

45 IAC 2.2-5-3 (b) states:

In general, purchases of tangible personal property by farmers are taxable. The exemptions provided by this regulation [45 IAC 2.2] apply only to <u>seeds</u>, <u>fertilizers</u>, <u>fungicides</u>, <u>insecticides</u>, and other tangible personal property to be directly used by the farmer in the direct production of food and agricultural commodities. <u>This exemption is limited to "farmers</u>."

45 IAC 2.2-5-3(d)(7) states:

Tangible personal property purchased by a farmer for use in general farm maintenance of taxable items is taxable.

45 IAC 2.2-5-4 Farmers and others engaged in agricultural production

(c) The following is a partial list of items which are considered subject to the sales tax.

Taxable Transactions

Fences, posts, gates, and fencing materials.

Water supply systems for personal use.

Drains.

Any motor vehicle which is required by the motor vehicle law to be licensed for highway use.

Ditchers and graders.

Paints and brushes.

Refrigerators, freezers, and other household appliances.

Garden and lawn equipment, parts, and supplies.

Electricity for lighting and other non-agricultural use.

Any materials used in the construction or repair of non-exempt: buildings, silos, grain bins, corn cribs, barns, houses, and any other permanent structures.

Items of personal apparel, including footwear, gloves, etc., furnished primarily for the convenience of the workers if the workers are able to participate in the production process without it.

Pumps

All saws.

All tools, including forks, shovels, hoes, welders, power tools, and hand tools.

Building materials or building hardware such as lumber, cement, nails, plywood, brick, paint.

Plumbing, electrical supplies, and accessories, pumps.

Horses, ponies, or donkeys not used as draft animals in the production of agricultural products.

Food for non-exempt horses, ponies, etc.

Fertilizer, pesticides, herbicides, or seeds to be used for gardens and lawns.

Field tile or culverts.

Graders, ditchers, front end loaders, or similar equipment (except equipment designed to haul animal waste).

Any replacement parts or accessories for the above items.

(d) Each of the following items is considered exempt from the sales tax ONLY when the purchaser is occupationally engaged in agricultural production and uses the items directly in direct production of agricultural products.

Exempt Transactions

- (1) Livestock and poultry sold for raising food for human consumption and breeding stock for such purposes.
- (2) Feed and medicines sold for livestock and poultry described in Item (1).
- (3) Seeds, plants, fertilizers, fungicides, insecticides, and herbicides.
- (4) Implements used in the tilling of land and harvesting of crops therefrom, including tractors and attachments.
- (5) Milking machines, filters, strainers, and aerators.
- (6) Gasoline and other fuel and oil for farm tractors and for other exempt farm machinery.
- (7) Grease and repair parts necessary for the servicing of exempt equipment.
- (8) Containers used to package farm products for sale.
- (9) Equipment designed to haul animal waste.
- (10) Equipment such as needles, syringes, and vaccine pumps.
 - (e) The fact that an item is purchased for use on the farm does not necessarily make it exempt from sale [sic.] tax. It must be directly used by the farmer in the direct production of agricultural products. The property in question must have an immediate effect on the article being produced. Property has an immediate effect on the article being produced if it is an essential and integral part of an integrated process which produces agricultural products. The fact that a piece of equipment is convenient, necessary, or essential to farming is insufficient in itself to determine if it is used directly in direct production as required to be exempt.
 - (f) If a farmer makes a purchase tax exempt and later determines that the purchase should have been taxable, a use tax is due on the purchase price and should be remitted to the Department of Revenue along with the next annual income tax return, except for sales tax on gasoline which must be shown on the claim for motor fuel tax refund.

45 IAC 2.2-5-6 (d) sales of agricultural machinery

(1) Exempt purchases: (1) Feeds-Sales of agricultural machinery, tools, and equipment used by the purchaser directly in feeding exempt animals, poultry, etc., are exempt from tax. This exemption <u>does not extend</u> to machinery, equipment, and tools used for the handling, movement, transportation, or storage of <u>feed</u> prior to the actual feeding process. (<u>This exemption applies to automated feeding equipment...not equipment used to transport feed to pasture. – IDOR note)</u>